



State of Arizona
Department of Education

SCHOOL FINANCE MEMORANDUM 12-026

TO: Superintendents, District Business Managers, Charter Business Managers
Charter Holders, and Administrators

FROM: Lyle Friesen, Director of School Finance

DATE: November 17, 2011

SUBJECT: School Finance Updates

General Updates

1) FY 2012 System Changes

Information regarding FY 2012 System Changes can be found in one of two places. The School Finance business rules can be found on our new website at <http://www.azed.gov/finance/> by clicking on “Knowledge Center” within the blue navigation bar and selecting “Business Rules and Presentations”. All SAIS changes, regardless of the area affected, can be found at <http://www.ade.az.gov/sais/Info.asp>.

2) SDER Update

The deadline for submitting School District Employee Report (SDER) data has been extended to December 16 at 4:30 pm. This was done to accommodate our LEAs as our IT Department works to resolve technical issues with the SDER application. Please check the School Finance Hot Topics on our [home page](#) for updates to the status of the issues below.

The following issues are being addressed:

- SDER validation errors. Districts are receiving SDER “Type Mismatch” error messages when uploading SDER files.
- Classified employee salary. SDER is entering \$1.00 in the Salary field when a new classified employee is entered into SDER. This appears on the Employee List report.
- FTE doubling. The FTE for a Certified employee is doubling on the Edit Salaries screen even though it was entered correctly on the Edit Positions screen.

- Employees missing from Edit Salaries page. Teachers are missing from the Edit Salaries page even though they are listed on the Edit Positions and Edit Details screens.

Please check Hot Topics on our School Finance home page at <http://www.azed.gov/finance/> for updates.

NOTE: At this time, SDER is applicable only to districts.

3) Calendar Submittals

Calendars for your LEA and schools must be submitted in order for 40th and 100th day ADM to be calculated. If you have not yet submitted your FY 2012 calendar, please do so by logging into Common Logon, then selecting “LEA Calendar”. Once your calendar(s) have been submitted, complete a Calendar Change Request form and send it to your account analyst so that your calendar may be activated. The form can be found on our website at <http://www.azed.gov/finance/> by clicking on “Forms” within the blue navigation bar and selecting “Calendar Change Request”.

4) New Website

When the ADE website was updated, it meant an update to the School Finance website as well. If you haven’t already done so, please take a few minutes to go to <http://www.azed.gov/finance/> and familiarize yourself with the new School Finance website. You may find that you will need to update your Favorites/Bookmarks. If you have any comments or suggestions regarding the new School Finance website, please send them to schoolfinance@azed.gov.

5) School Finance Hot Topics

School Finance now has a bulletin board where School Finance related items, including deadlines and system updates, are posted. Please check regularly to stay informed. Hot Topics can be found on our home page at <http://www.azed.gov/finance/>. For updates to budget and payment related items, including mandated reductions and statewide recalculation adjustments, please go to <http://www.azed.gov/finance/hot-topics/>. Our goal is to consolidate these two sites and to have all postings appear on our home page Hot Topics.

SAIS Updates

6) FY2012 Monthly Processing Schedule

The first monthly processing for the year began on October 1, 2011. The second monthly processing began on November 3, 2011. Integrity is run first followed by aggregation. Updates are posted to the [IT Bulletin Board](#) throughout the processing.

It is expected that ADM for early kindergarten students enrolled in kindergarten for the second year will be limited during the November aggregation. The business rules for the early kindergarten funding changes can be found in either webpage mentioned in item 1.

7) FY 2011 Statewide Recalculation

The statewide recalculation began on August 25, 2011 and the data has been finalized. All Student Details funding reports (SdADMS75-1, SdADMS75-3, SdSPED75-1, SdSPED75-3,

SdELL75-1 and SdSPED75-3) as well as the Student Counts reports (ADMS 40 series, ADMS540-1, SPED28-1 and ELLS28-1) are available.

8) FY 2011 SAIS Data Updates

The following issues with the FY 2011 data have been resolved with the statewide recalculation.

Item #	Resolved Issue	Description
1	ELL ADM/Add-Ons	The ELL ADM/Add-Ons had been lower than expected.
2	JTED Non-Fundable Enrollments	The majority of the incorrectly identified non-fundable enrollments (or portions of enrollments) were fixed during the May 31 aggregation run. There were a few rare instances where an enrollment or portion of the enrollment was still incorrect.
3	Inaccurate Limited ADM for JTED Satellite	A few remaining instances where member district enrollments that were Concurrent with a JTED Satellite enrollment were being limited to 1.0 instead of 1.25.
4	AOI ADM	AOI ADM had been calculated incorrectly with ADM being higher than expected for some students who had not met the annual required instructional time.

Payment Updates

9) FY2012 Budget Reduction

Soft Capital Allocation: Pursuant to S.B. 1617 Sec. 23. A. the Department of Education is to reduce Soft Capital Allocation to school districts by \$188,120,700 in state aid. The preliminary adjustments were included on the October 1, 2011 apportionment. Please note, this is just the preliminary adjustment, the adjustment will be finalized once the FY2011 statewide recalculation ADM is available. We are planning to finalize the adjustment during the January 2, 2012 apportionment.

Capital Outlay Revenue Limit I: pursuant to S.B. 1617 Sec. 28. A. the Department of Education is to reduce Capital Outlay Revenue Limit to school districts by \$63,864,800 in state aid. The preliminary adjustments were included on October 1, 2011 apportionment. Please note, this is just the preliminary adjustment, the adjustment will be finalized once the FY2011 statewide recalculation ADM is available. We are planning to finalize the adjustment during the January 2, 2012 apportionment.

Capital Outlay Revenue Limit II: pursuant to S.B. 1612 Sec. 125. A. the Department of Education is to reduce Capital Outlay Revenue Limit for school districts by \$35,000,000 in state aid. This reduction applies only to non-state aid districts with a student count of 1,100 or and higher. The preliminary adjustments were included on October 1, 2011 apportionment. Please note, this is just the preliminary adjustment, the adjustment will be

finalized once the FY2011 statewide recalculation ADM is available. We are planning to finalize the adjustment during the January 2, 2012 apportionment.

Addition Assistance Reduction: The ARS Section 15-185, Subsection B, paragraph 4, Additional Assistance reduction has been calculated based on total Additional Assistance generated by estimated ADM submitted by the schools. The preliminary reduction amount can be found on the last page of the CHAR 64-1 report. Three-twelfths (3/12) of the amount has been taken in the October 1st payment and the balance of the 9/12 amount will be taken equally from November to June 30th payments. **Please note: This is just the preliminary number; the final reduction amount will be recalculated once the 100th day ADM is available for all schools.

10) FY2011 Statewide Recalculation – [Original notification was sent October 28, 2011]

District statewide recalculation: FY2011 statewide recalculations were scheduled for October, 2011. FY2011 APOR55-2, APOR55-1 and APOR64-1, payment 15, will be available online. Due to the November 1st apportionment being rolled over to FY 2013, the district state aid recalculation adjustment is being delayed 1 month. All positive and negative recalculation adjustments will be included on the FY2012 APOR64-1 for the December 1st apportionment payment, as an above the line adjustment (the 5/12 adjustment will be paid/taken back in December payment and 7/12 will be paid/taken back equally from January to June 30th payments). The hardship application for negative adjustment is available to all districts, if you would like to have School Finance take back the funding within two years (FY2012 and FY2013), please email/fax signed resolution form to School Finance by November 15th 2011, otherwise your entire negative adjustment will be included on December 1st 2011 payment. The resolution form can be found in the following website: <http://www.azed.gov/finance/forms/>

Charter statewide recalculation: we are planned to run the FY2011 statewide recalculation payment in October, 2011. FY2011 CHAR55-1 and CHAR64-1, payment 13 will be available online. All statewide recalculation adjustments will be included by FY2012 CHAR64-1 during December 1st payment. Positive adjustments will be included as the current month adjustment (full payment on December 1) and negative adjustments will be included as the above the line adjustment. (For negative adjustments, 5/12ths of the adjustment will be taken back on the December payment and the balance of 7/12 will be taken back equally from January to June 30th payments) The hardship application for negative adjustment is available to all charters. If you would like to have School Finance taking back the funding within two year (FY2012 and FY2013), please email/fax signed resolution form to School Finance by November 15th 2011, otherwise your entire negative adjustment will be included on December 1, 2011 payment. The resolution form may be found in the following website: <http://www.azed.gov/finance/forms/>.

Arizona Online Instruction statewide recalculation: The FY2011 recalculated ADM for AOI has changed significantly. The change will impact FY2011 charter schools funding, and also the FY2011 school district sudden growth and FY2012 school districts equalization assistance.

11) ASRS Adjustment Update

ASRS adjustment: the School Finance is calculating the ASRS adjustment now based on data from the Retirement System. We are tentatively planning to include a preliminary adjustment in both the payment and budget system in the January payment for all charter schools and districts participating in the ASRS. The ASRS adjustment will be finalized in the Spring.

Budget Updates

12) Fiscal Year BUDG25 Reports

The FY 2012 BUDG25 reports have been published. The reports are based on the November APOR 55-1, the District's most recently processed FY 2012 Expenditure Budget, and will include the estimated CORL and Soft Capital budget reductions. Final reallocation of the reductions will occur on the January 3rd apportionment.

Questions?

If you have any questions regarding these updates, please do not hesitate to contact the following individuals relating to these areas:

- **SAIS/ADM:** Your assigned account analyst. A listing of account analysts can be found on the School Finance website at <http://www.azed.gov/finance/> within the "Contact Us" menu.
- **Payment:** The School Finance payment team at SFPaymentteam@azed.gov
- **Budget:** The School Finance budget team at SFBudgetTeam@azed.gov.